A

Research proposal

on

"A study of Consumer Attitude towards new age financial services with special reference to Nanded district"

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SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED, MAHARASHTRA

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"A study of Consumer Attitude towards new age financial services with special reference to Nanded district"

1.0 Introduction

The Indian financial services industry has undergone a metamorphosis since1990. Before its emergence the commercial banks and other financial institutions dominated the field and they met the financial needs of the Indian industry. It was only after the economic liberalization that the financial service sector gained some prominence. Now this sector has developed into an industry. In fact, one of the world's largest industries today is the financial services industry.

Financial service is an essential segment of financial system. Financial services are the foundation of a modern economy. The financial service sector is indispensable for the prosperity of a nation.

Financial services refer to services provided by the finance industry. The finance industry consists of a broad range of organizations that deal with the management of money. These organizations include banks, credit card companies, insurance companies, consumer finance companies, wealth management companies, stock brokers, investment funds and some government sponsored enterprises.

Financial services may be defined as the products and services offered by financial institutions for the facilitation of various financial transactions and other related activities.

1.1 Functions of financial services

1. Facilitating transactions (exchange of goods and services) in the economy.

2. Mobilizing savings (for which the outlets would otherwise be much more limited).

3. Allocating capital funds (notably to finance productive investment).

4. Monitoring managers (so that the funds allocated will be spent as envisaged).

5. Transforming risk (reducing it through aggregation and enabling it to be carried by those more willing to bear it).

The main purpose of this research is to identify and analyze the factors that may influence consumer's attitude and behaviours towards new age financial services offered in Nanded district.

1.3 The financial services can be broadly classified into two:

- **Fund Based Services:**

  Fund based services are Equipment leasing /Lease financing, Hire purchase/ Consumer credit, Bill discounting, Venture capital, Housing Finance, Insurance, factoring services, Mutual Fund etc.

- **Fee-based services (or Non-fund services)**

  Fee-based services are Merchant Banking, Credit Rating, Stock broking, Custodian service, Loan syndication, Securitization of debt etc.

- **Other Financial Services**

  Other financial services include Credit card, Debit card, Underwriting, Wealth management etc.

1.4 Various Factors influencing Consumer attitude:

1. **Economic Factor of consumer:** Price, Income, Distribution of Income, Utility, Economic Status of the consumer and Current Market Condition influence consumer attitude of Nanded district.

2. **Social and Personal Factor of consumer:** This factor influence Consumer attitude of Nanded district through the Opinion of friends and relatives, Buying practices in the family, Past Experiences of the product and services and Culture.

3. **Psychological Factor of consumer: T**rust, Belief, Perception, Taste, Preferences, Group Psychology influence consumer attitude of Nanded district.

4. **Other Factors:** other factors include Technology, ICT, Government Decisions, Laws, and Several Legal Policies.

2. Review of Literature

'Literature Review', covers this study's framework based upon the foundation built by previous scholarly work in this domain of expectations, attitude, and Financial Services. It aims to provide a systematic review of the related literature and provide the proposed conceptual model of the study.

According to Aaker et al. (1995, p. 254), attitudes are "mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it".

Kotler (2016, p. 788) stated that "an attitude is a person‟s enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea." The Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB) provides theoretical framework for understanding the role of consumer attitude, its antecedents and consequence.

According to the TRA (Fishbein & Ajzen, 1975), attitude is an individual‟s positive and negative feeling about a particular behaviour, and it is influenced an individual‟s beliefs, which are subjective probability of the consequence of a particular behaviour. Then attitudes in turn shapes behaviour. In the **TPB, Ajzen (1991)** points out that people‟s attitudes are influenced by many external variables, from past experience, technology, marketing promotion, religious background and many factors. According to the TPB, individual‟s attitudes are influenced not only by individual‟s beliefs, but also subjective norm and perceived behaviour control. Then attitudes in turn affects intention to perform a behaviour in accordance to their attitudes as well as the behaviour. Therefore, individual‟s attitude plays a key role in prediction of their intention and actual behaviour in a given situation.

Aghion & Bolton 1997; Banerjee & Newman 1993; Galor & Zeira (1993): At the conceptual level, a range of theoretical models has been used to demonstrate that a lack of access to finance can lead to poverty traps and inequality.

(Commission, Vol. 1 p.123) The regulation and supervision of Financial system in India is done by several regulatory authorities, The RBI regulates and supervise the major part of financial system in India.

(S. Ramesh) : Financial markets are an important component of the financial system in india, the participants in the financial markets are Borrowers, Lenders, Financial intermediaries, financial institutions etc.

Binswanger & Khandker (1995); Pande & Burgess (2003): Suggest that the Indian rural branch expansion program significantly lowered rural poverty and increased non-agricultural employment. For India, being a very well-diversified economy and society, it is imperative to give adequate attention to the measurement of financial inclusion. Few scholars have attempted to measure some aspects of financial inclusion.

Shamsher Singh (2010): Observed that the internet banking services provided by private sector banks have been more customer-friendly as compared to public sector banks. It was suggested that the banks should increase the necessary awareness and convert the non-users to the user category. This will reduce the cost of banking transactions & provide comfort and faster customer access technique to their accounts for multiple purposes.

3.0 Objectives

1) To understand the level of financial education and its impact on consumer attitude for the new age financial services offered in Nanded district.
2) To analyze various factors of consumer attitude for the new age financial services offered in Nanded district.
3) To study the impact of social economic indicators on consumer attitude for the new age financial services offered in Nanded district.

4) To correlate the consumer attitude and financial knowledge of new age financial services offered in Nanded district.

5) To study perception of consumer towards new age financial services in Nanded district

4.0 Null Hypothesis

H01: The financial education has no direct linkage with the consumer attitude for the new age financial services offered in Nanded district.

H02: The consumer attitude is not influenced by any factors for new age financial services in Nanded district.

H03: Socio economic indicators has no role of consumer attitude for the users of new age financial services in Nanded district .

H04: There is no correlation between consumer attitude and financial knowledge for the users of new age financial services in Nanded district .

H05: The perception of consumer towards new age financial services are not significantly different in Nanded district.

5.0 Scope and limitations of research

Scope of this research is wide because it covers all factors which influence consumer attitude towards the new age financial services like Psychological, Demographic, Economic and social etc.

This research is concern with the geographical boundaries of Nanded District and rural and urban areas of Nanded district only. The population of this research will be consider consumer new age financial services. And the sample size of this study will target a specific number of consumers based on the available resources and time constraints.

1. The research is limited to the Nanded district only.
2. Time reference is maximum 5 years hence.

6.0 Research Methodology

As we know the research methodology is the very important part of every research, The primary objective of this study is to understand the factors affecting consumer behavior towards the new age financial services.

The study adopted a combined methodology of theory and field work with consumer to study on the spot attitude of task sample. Also series of discussions will be held with the consumers of new age financial services. This methodology will provide a holistic view of the factors influencing their aspirations and allow me to make more informed and proper conclusions.

7.0 Research design

To complete the above research work regarding the consumer attitude towards new age financial services and to meet the objective I will use the both methods i.e. qualitative and quantitative.

Exploratory study will be conducted to get understandings of how a Various factors affects consumers attitude while dealing with new age financial services. The required information will be collected through structured questionnaire in the form of schedule and personal interviews of the participants and communication by visits.

- **Geographical Location:**

To study the consumer attitude of Nanded district geographical area of Nanded is selected which covers (10528 Sq. Kms). The district of Nanded is surrounded in the North by Yeotmal District, in the West by Parbhani, Latur and Osmanabad districts, in the South by Bidur district of Karnataka State and in the East by Nizamabad and Adilabad districts of Andhra Pradesh.

➢ **Population of the study:**

The study covers all the consumers or beneficiaries of New age financial services within Nanded district.

➢ **Sample:**

To complete this research work consumers of Nanded district will be the selected sample.

➢ **Sample Size:**

The sample size will be 500 consumers from different rural and urban part of Nanded district who use the new age financial services.

➢ **Sampling Method:**

a) **Random sampling :**

Initially, the random sampling technique will be used for the study and afterwards purposive sampling method will be followed.

8.0 Data Collection:

a) Primary Data:

To collect the primary data Face to face interview, mailed questioner method and information from correspondent Structured surveys, questionnaire the form of schedule and focus group discussions through field surveys, direct interviews of consumers and authorities with the help of different questioner and research tools.

b) **Secondary Data:**

Secondary Data will be collected from the following published documents;

1. Academic Journals and Research Papers:
2. Government Reports, schemes and Databases used for Institutions.
3. Industry Reports and Surveys
4. Educational Institutions' Data:
5. Census Data and Demographic Profiles
6. Academic and Policy Think Tanks
7. Newspapers Magazines and Journals, Periodicals
8. Websites, Blogs, Online Databases and Repositories
9. Case Studies and Success Stories

9.0 Proposed chapter scheme

Chapter 1: Introduction
Chapter 2: Review of Literature
Chapter 3: Research Methodology
Chapter 4: Data analysis and interpretation
Chapter 5: Conclusions, Findings and Suggestions.

10.0 References

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